(c) The subsidies explicitly provided in the budget and increases/decreases thereon from the years 1991-92 to 1993-94. (Budget Estimates) are as follows:

(Rs. in crores)

	1991-92 (Provisional actuals)	1993-94 B.E.	Increase (+) Decrease (—)
1. Food	2850	3000	(+) 150
2. Fertilizer			
(i) Imported	1300	500	(—) 800
(ii) Indigenous	3500	3000	(—) 500
3. Fertilliser subsidy for small & marginal farmers	405	—	(—) 405
4. Export promotion & market development	1754	500	(—) 1254
5. Debt relief to formers	1425	500	(—) 925
6. Interest subsidy	316	113	(—) 203
7. Other Subsidies	729	763	(+) 403
	12270	8376	(—) 3894

Apart from the subsidies which are explicitly provided in the budget, there are "Quasi Subsidies" which includes Postal deficit and net expenditure of Govt. Commercial Deptts. In additions, there are hidden subsidies such as non-repayment of principal and interest dues, dividends by P.S.Us, interest below current cost of borrowings charged from State Govts. etc., which cannot be quantified.

(d) As part of the process of fiscal consolidation, it is the endeavour of the Government to keep current expenditures, including subsidies, under control. Discussions with international lending agencies have touched upon the need to increase user charges on publicly provided utilities where the extent of uncovered costs, which is a subsidy to the users, is very high.

(e) The price situation had aggravated in 1991-92 when the prices of mineral oils, primary articles and manuafactured products registered sharp increases. Aggravation of macro economic imbalances and the persistence of structural rigidities had made the restraint of prices difficult. Rising fiscal deficit in the past, large current account deficits together with decline in the agricultural production and stagnant industrial output during 1991-92 had generated strong inflationary pressures.

Rules for NRI Status

1938. SHRIMATI RENUKA CHOWDHURY:

SHRI MOHD. KHALLELUR RAHMAN:

Will the Minister of FINANCE be pleased to state:

(a) what are the rules and conditions to be fulfilled for a resident Indian citizen to claim the NRI status under Income Tax Rules, under RBI Rules and under the rules of other Government Departments,

(b) what are the Rules and Conditions governing the status of an Indian citizen once he/she becomes an NRI;

(c) whether an Indian citizen can continue to hold property in his/her own name even after he/she becomes NRI; and

(d) what are the incentives available to NRI to bring investment in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) There is no provision for a resident Indian citizen to claim NRI status.

(b) Once an Indian citizen becomes a non-resident, he/she will be governed by the various provisions of FERA 1973. Such persons have to intimate to their bankers and companies etc. where they are having deposits/investments, and about the change of their status from resident to non-resident. Under the Income Tax Act the status of NRIs will be decided each year with reference to the provisions of the Act. Further, as long as a NRI continues to be an Indian citizen, he is given consular protection by Indian Missions abroad.

(c) An Indian citizen can continue to hold property in his/her own name even after he/she becomes a NRI.

(d) A statement is annexed.

Statement

FACILITIES TO NRIs.

Government has taken a number of steps since July, 1991 to make NRI investments in India still more attractive. The new initiatives are summarised below:—

(a) NRIs and their OCBs are now allowed to invest upto 100% on repatriation basis in high priority industries. A procedure of automatic clearance of such proposals has also been made.

(b) The ceiling of 5% on overall NRI portfolio investment in an Indian company has been raised to 24% provided the company passes a resolution to this effect.

(c) NRI investment is now allowed in the previously forbidden areas of real estate, housing and infrastructure also, on the basis of 100% repatriation of the original investment.

(d) Foreign citizens of Indian origin have been permitted to acquire house property without the permission of RBI by granting them exemption under Section 31 of FERA.

(e) It has been decided to establish the office of Chief Commissioner for NRIs in order to provide a focal point for interface with NRIs.

(f) Hitherto, NRIs were required to declare the foreign exchange assets abroad on return to India. This requirement has been dispensed with in case of persons who have stayed abroad at least for a minimum period of 1 year.

(g) NRIs returning for good will be allowed to maintain foreign currency resident accounts with Indian banks in lieu of the earlier RIFEE scheme.

(h) NRIs have been allowed to import gold upto 5 kg. on payment of duty of Rs. 220/- per 10 gms.

(i) Non-Resident (Non-Repatriable) Rupee Deposit scheme under which the term deposits can be made by NRIs on attractive interest rates to be determined by the banks themselves. Both Principal and interest are non-repatriable.

(j) Foreign Nationals of Indian Origin have been allowed to:—

(i) to act or accept appointment as Agents in India of any person or company in the trading or commercial transactions.

(ii) to act or accept appointment as technical or management adviser in India of any person or company.

(iii) to permit any trademark, which he or it is entitled to use, to be used by any person or company for any direct or indirect consideration.

(iv) carry-on in India or establish in India a branch office or other place of business for carrying on any activity of a trading, commercial or industrial nature.

(v) acquire the whole or any part of any undertaking in India of any person or company carrying on any trade, commerce or industry or purchase of shares in India of any such company.